



State of California

Employment Training Panel

Arnold Schwarzenegger, Governor

July 27, 2009

Mike Tsai, President
K-1 Packaging Group
17989 East Arenth Avenue
City of Industry, CA 91748

Dear Mr. Tsai:

RE: FINAL MONITORING VISIT REPORT – K-1 PACKAGING GROUP - ET08-0152

Date of the Visit:	07/13/09
Beginning/Ending Time:	10:30 a.m. – 2:15 p.m.
Date of Last Visit:	06/19/08
Visit Location:	City of Industry
Persons in attendance:	Mike Tsai, President, K-1 Packaging Group Maggie Menzel, Consultant, Training Funding Source Lan Vuong, ETP Project Analyst
Action Required:	No

CONTRACT INFORMATION:

Term of Agreement:	08/07/07 – 08/06/09	Agreement Amount:	\$197,730
Training Start Date	08/07/07	No. to Retain:	65
Date Training must be completed:	05/07/09	Range of Hours:	24 - 200
Type of Trainee:	Retrainee	Weighted Average:	117

SACRAMENTO CENTRAL OFFICE
1100 J Street, 4th Floor
SACRAMENTO, CA 95814
(916) 327-5640

N. HOLLYWOOD REGIONAL OFFICE
4640 Lankershim Blvd., Suite 311
NORTH HOLLYWOOD, CA 91602
(818) 755-1313

S.F. BAY AREA REGIONAL OFFICE
1065 East Hillsdale Blvd, Suite 415
FOSTER CITY, CA 94404
(650) 655-6930

SAN DIEGO REGIONAL OFFICE
5353 Mission Center Road, Suite 110
SAN DIEGO, CA 92108
(619) 686-1920

FINAL REPORT SUMMARY

• HISTORY OF AGREEMENT CHANGES

The Agreement was executed on September 14, 2007, and training began on August 7, 2007. Mr. Tsai reported that all training was completed on May 4, 2009, which allowed for the 90-day retention period to be completed within the term ending date of the Agreement - August 6, 2009.

ETP approved a request on September 17, 2008, to change the contract representative.

• FINAL PROJECT STATISTICS

Your Agreement contains a variable training plan, which means that reimbursement will be based on the total actual number of training hours completed by each trainee between **24 and 200** training hours. There will be no reimbursement for any trainee who does not complete a minimum of 24 hours of training from the approved curriculum.

Although Chart 1, Exhibit A of the Agreement, specified that there would be **65** trainees to be retained, Mr. Tsai reported that **74 trainees** completed training and the 90-day retention period (35 trainees completed retention period and 39 trainees in retention period). The ETP Class/Lab Tracking Report shows that you have delivered **6,760.73** class/lab training hours for 74 trainees who meet the minimum hours. This resulted in a completion rate of **114 percent** with approximate earnings of **\$175,778.98** which is **88 percent** of the Agreement amount.

The following chart shows a breakdown of training hours and projected reimbursement as shown on the ETP Online Tracking System:

TYPE OF TRAINING	HOURS COMPLETED	PROJECTED REIMBURSEMENT
Class/Lab	6,760.73	\$175,778.98
Total	6,760.73	\$175,778.98

To date, your company has received **\$145,422.50** in payments; therefore you will receive an additional **\$30,356.48**, if the anticipated number to retain is verified during the final fiscal closeout.

Mr. Tsai informed the Analyst that he will submit the final contract closeout invoice and associated documents to ETP on or before the close of business on **September 6, 2009**.

• INTERVIEW WITH CONTRACTOR'S REPRESENTATIVE

Mr. Tsai provided the following reasons why K-1 Packaging Group was unable to earn 100 percent of the available funds in the Agreement: trainee's availability due to production needs and the company shifted its focus from training because of an increase in business.

Mr. Tsai also reported that although K-1 Packaging did not earn 100 percent of the available funds, the training provided increased employee skills in Continuous Improvement, Business Skills, and Manufacturing Skills, which helps ensure that the company meets the quality

standards required by the industry. In addition, the training helped trainees to improve company process to increase productivity and to lower inventory, promote recycling, and eliminate waste.

PROJECT STATUS PROVIDED BY THE CONTRACTOR:

Trainees Started Training:	100	Completed Training:	74
Trainees Enrolled:	100	In Retention Period::	39
Dropped Following Enrollment:	26	Completed Retention	35
Completed Minimum Required Hours:	74		

The project statistics provided by your staff matches those listed on the ETP Contract Status Report.

TRAINING RECORDS

Ms. Vuong conducted a random sampling of eight trainees who completed training. Records reviewed validated the completion of the training hours required in this Agreement. Records show that these trainees completed between 24 and 200 total training hours and the completed hours matches those posted on the ETP Online Tracking System. Records reviewed confirmed that the Agreement curriculum was provided as specified and the ratio of trainer to trainee delineated in the Agreement training plan was adhered to.

The above findings are based only on the training records reviewed during this visit and represent only a sample of the training records completed to date. Therefore, it is your responsibility to ensure that all training records comply with Panel requirements for auditing purposes. (Reference: Title 22 California Code of Regulations, Section 4442)

AUDIT

Your company will be notified in writing if this agreement is selected for an audit that will be conducted either at your site (field audit) or by telephone if selected for a desk review. These notifications will be sent in advance to allow ample preparation time and will include a list of documentation that will be examined by the auditor. A list of the documentation typically examined during an audit will be included along with the Audit Notification and Audit Confirmation letters.

To provide support of training, original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

RECORD RETENTION

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

Please contact Lan Vuong within ten (10) working days at (818) 755-1306 or by email at lvuong@etp.ca.gov if you have any questions or comments.

Sincerely,

Signature on file

Wally Aguilar, Manager
North Hollywood Regional Office

Signature on file

Lan Vuong, Project Analyst
North Hollywood Regional Office

cc: David Guzman, Chief, Audits & Program Operations Division, ETP (via email)
Kulbir Mayall, Manager, Fiscal and Certification, ETP (via email)

Maggie Menzel, Consultant, Training Funding Source (via email)

Master File
Project File

Date report mailed to Contractor 7/28/09